



AIB Preliminary Results 2006
6th March 2007

HIGHLIGHTS - AIB GROUP ANNUAL RESULTS 2006

Basic earnings per share EUR246.8c
less profit on disposal/development of property⁽¹⁾ EUR (42.8c)
less profit on disposal of businesses⁽²⁾ EUR (21.7c)
adjust for hedge volatility under IFRS⁽³⁾ EUR 0.5c

Adjusted basic earnings per share EUR 182.8c up 25%⁽⁴⁾

Divisional operating profit performance⁽⁵⁾
- AIB Bank ROI up 23%
- Capital Markets up 29%
- AIB Bank UK up 18%
- Poland up 52%

Income/cost gap +4%
Cost income ratio down 1.7% to 53.5%
Bad debt provision charge 0.12%, down from 0.15% in 2005
Return on equity 29.0%
Tier 1 capital ratio 8.2%
Total dividend of EUR 71.8c, up 10%
M&T reported 10% US GAAP EPS growth⁽⁶⁾

AIB Group Chief Executive Eugene Sheehy said:

'2006 was a year when AIB enjoyed outstanding growth across all its divisions. I am pleased about the consistency of this performance - and that customer demand remains strong for our range of innovative and competitive products and services. AIB has the top-class people needed to deliver these products and services through its comprehensive suite of channels. That is why I'm confident that the prospects remain bright for sustaining AIB's level of high-quality growth into 2007 and beyond.'

(1) Includes profit on new Bankcentre development (construction contract income) and profit on the disposal of the existing Bankcentre (€352 million before tax, €289 million after tax), profit on disposal of Donnybrook House (€29 million before tax, €25 million after tax) and profit on sale of 11 branches in the Republic of Ireland (€73 million before tax, €58 million after tax).

(2) Profit on disposal of Ark Life discontinued operation (€112 million after tax), profit from the sale of 50% stake of AIB/BNY Securities Services (Ireland) Limited to the Bank of New York Company (€51 million after tax) and the transfer by Ark Life of the management of certain investment contracts to Aviva as part of the disposal of Ark Life (€26 million after tax).

(3) The impact of interest rate hedge volatility (hedging ineffectiveness and derivative volatility) under IFRS was a decrease of €4 million to profit before taxation for the year (€4 million after tax).

(4) A 25% increase compared with EUR 145.9c for 2005. The EUR 145.9c in 2005 includes the earnings from Ark Life which is a discontinued operation since 30 January 2006 and excludes profit on the new Bankcentre development and interest rate hedge volatility in 2005.

(5) Operating profit excludes profit from disposal of property/businesses and associated undertakings. The percentage increase excludes the impact of exchange rate movements on the translation of foreign locations' profit.

(6) AIB's share of M&T's profit on a local currency basis was down 4%. This decrease reflects the conversion of M&T's contribution from US GAAP to IFRS. The bank's application of IFRS to M&T's US GAAP numbers gave a lower result due to the movement of previously unallocated credit provisions to specific provisions in M&T's books (which now classifies as specific provisions under IFRS and reduces the M&T profit reported in AIB's books by €15 million).

Allied Irish Banks, p.l.c.

Dividend

The Board is recommending a final dividend of EUR 46.5c per share payable on 10 May 2007 to shareholders on the Company's register of members at the close of business on 16 March 2007. The final dividend, together with the interim dividend of EUR 25.3c per share, amounts to a total dividend of EUR 71.8c per share, an increase of 10% on 2005.

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